GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:83
ANSWERED ON:20.11.2000
EXPLOITATION OF GOLD RESOURCES
SRIKANTA DATTA NARASIMHARAJA WADIYAR

Will the Minister of MINES be pleased to state:

(a) whether some foreign firms are keen to exploit gold resources in the country;

(b) if so, the names of these companies and the States where these companies are keen to participate in the exploitation of gold,

(c) whether these companies have submitted any application for prospective licences to explore and exploit gold resources in Karnataka, Orissa and Rajasthan; and

(d) if so, the action taken by the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES (SHRI JAYSINGRAO GAIKWAD PATIL)

(a) to (d) Yes, Sir. Some foreign companies have expressed interest in gold exploration/exploitation in the country and also obtained FIPB approval in this regard.The approval granted by FIPB is only for foreign equity participation in a Company incorporated in India. After obtaining FIPB approval these companies are required to apply to the concerned State Government, which are the owners of minerals in their respective territorial jurisdictions, for mineral concessions.

In accordance with Section 5(1) of the Mines & Minerals [Development & Regulation] Act, 1957, only an Indian national or a company as defined under Section 3(1) of the Companies Act, 1956 can be granted mineral concessions. As such, under the existing mining legislation, a foreign company is not allowed to undertake reconnaissance/prospecting/mining operations.

The Central Government has so far conveyed its approval to the State Government of Karnataka for grant of 13 Reconnaissance Permits to Indian companies who are the subsidiaries/Joint Venture Companies formed by the foreign companies for diamond, gold, etc. over a total area of 13,572.72 sq. kms.